

§ 17.725

38 CFR Ch. I (7–1–00 Edition)

if VA determines that such services are of unacceptable quality. VA will not pay per diems for veterans who receive services from providers who VA has found to be of unacceptable quality.

(k) *Service center requirements.* A service center for homeless veterans shall provide services to homeless veterans for a minimum of 40 hours per week over a minimum of five days per week, as well as on an as-needed, unscheduled basis. In addition:

(1) Space in a service center shall be made available as mutually agreeable for use by VA staff and other appropriate agencies and organizations to assist homeless veterans;

(2) A service center shall be equipped to provide, or assist in providing, health care, mental health services, hygiene facilities, benefits and employment counseling, meals, and transportation assistance;

(3) A service center shall provide other services as VA determines necessary based on the need for services otherwise not available in the geographic area;

(4) A service center may be equipped and staffed to provide, or to assist in providing, job training and job placement services (including job readiness, job counseling, and literacy and skills training), as well as any outreach and case management services that may be necessary to meet the requirements of this paragraph.

§ 17.725 Outreach activities.

Recipients must use their best efforts to ensure that eligible hard-to-reach persons are served in the facility funded under this part. Recipients are expected to make sustained efforts to engage eligible persons so that they may be brought into the program. Outreach should be directed primarily toward eligible persons who have a nighttime residence that is an emergency shelter or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (*e.g.*, persons living in cars, streets and parks).

§ 17.726 Resident rent.

(a) *Calculation of resident rent.* Each resident of supportive housing may be required to pay as rent an amount de-

termined by the recipient which may not exceed the highest of:

(1) 30 percent of the resident's monthly adjusted income (adjustment factors include the number of relatives in the family residing with the veteran, medical expenses, and child care expenses);

(2) 10 percent of his or her family's monthly income; or

(3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated.

(b) *Use of rent.* Resident rent may be used in the operation of the project or may be reserved, in whole or in part, to assist residents of transitional housing in moving to permanent housing.

(c) *Fees.* In addition to resident rent, recipients may charge residents reasonable fees for services not paid with VA per diem funds or provided to the service provider by in-kind assistance through the services of VA employees and the use of other VA resources.

§ 17.727 Grant agreement.

(a) *General.* The duty to provide supportive housing or supportive services, or to establish a service center in accordance with the requirements of this part will be incorporated in a grant agreement executed by VA and the recipient.

(b) *Enforcement.* VA will enforce the obligations in the grant agreement through such action as may be appropriate, including repayment of funds that have already been disbursed to the recipient.

§ 17.728 Program changes.

(a) *VA approval.* (1) A recipient may not make any significant changes to an approved program without prior VA approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site, additions or deletions in the types of activities listed in § 17.702 of this part approved for the program, certain shifts of funds from one approved type of activity to another, and a change in

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the category of participants to be served.

(i) Recipients of grants exceeding \$100,000 for nonconstruction projects who are State or local governments must receive prior VA approval for cumulative transfers among direct cost categories which exceed or are expected to exceed ten percent of the current total approved budget.

(ii) Recipients of grants for projects involving both construction and nonconstruction who are State or local governments must receive prior VA approval for any budget revision which would transfer funds between nonconstruction and construction categories.

(iii) Recipients of grants exceeding \$100,000 who are nonprofit entities must receive prior VA approval for cumulative transfers among direct cost categories or programs, functions and activities which exceed or are expected to exceed ten percent of the total budget as last approved by VA.

(2) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.

(b) *Documentation of other changes.* Any changes to an approved program that do not require prior VA approval must be fully documented in the recipient's records.

§ 17.729 Obligation and deobligation of funds.

(a) *Obligation of funds.* When VA and the applicant execute a grant agreement, funds are obligated to cover the amount of the approved assistance under §§ 17.702 through 17.707 of this part. The recipient will be expected to carry out the supportive housing or supportive services activities as proposed in the application.

(b) *Increases.* After the initial obligation of funds, VA will not make revisions to increase the amount obligated.

(c) *Deobligation.* (1) VA may deobligate all or parts of grants awarded under this part:

(i) If the actual total cost of acquisition, rehabilitation, acquisition and rehabilitation, or new construction of facilities, or the cost of procurement of a

van, is less than the total cost anticipated in the application, or

(ii) Where a recipient materially fails to comply with the terms and conditions of an award under this part.

(2) The grant agreement may set forth in detail other circumstances under which funds may be deobligated, and other sanctions may be imposed. Such sanctions may include, among other remedies: temporarily withholding cash payments pending correction of a deficiency, denying the use of grant or matching funds for all or part of the cost of an activity not in compliance, wholly or partly suspending an award, and withholding further awards to the recipient.

(3) Where a recipient has no control over causes for delays in implementing a project, any delays due to causes beyond a recipient's control may, with VA approval, suspend the running of any period in which the recipient must implement a program or risk deobligation of funds or other VA remedies.

(4) VA may:

(i) Readvertise in a notice of fund availability under § 17.708 of this part, the availability of funds awarded that were deobligated in the same fiscal year as obligated; or

(ii) Award funds deobligated in the same fiscal year as obligated to applications previously submitted in response to the most recently published notice of fund availability, and in accordance with §§ 17.708 through 17.714 of this part; or

(iii) If legally authorized, award amounts deobligated in a fiscal year later than the fiscal year in which they were obligated to applications previously submitted in response to the most recently published notice of fund availability, and in accordance with §§ 17.708 through 17.714 of this part.

§ 17.730 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* Consistent with other goals and objectives of this part, recipients must take all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing, supportive services, or